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CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001-2011

Mr. CARPER. Mr. President, this is the week baseball season begins anew. I am in a little bit of a baseball mood this week, even this afternoon under bright,sunny skies in our Nation's Capital. We have been working on the budget resolution in the Senate Chamber for the better part of this week, and under the unanimous consent agreement we will wrap it up hopefully tomorrow afternoon.

Using a baseball analogy, this is like the seventh inning stretch. I want to take the opportunity to reflect on what we have agreed to, not agreed to, and maybe some thoughts we can keep in mind over the next 24 hours or so.

As we attempt to adopt, fashion, and agree on a blueprint for spending for our Nation, the thought that creeps into almost every aspect of our discussions is the economy, the shaky nature of the economy, the fragile nature of the economy, and to what extent tax cuts should play as we adopt this budget framework.

There are a number of ways to stimulate the economy, as we all know. One of the ways that is going forward right now is the aggressive monetary policy launched by the Federal Reserve over the last couple of months which will add to the gross domestic product of our country, I am told, somewhere close to half a percentage point this year by virtue of lower interest rates. The Federal Reserve is expected to come back and consider by May 15 whether more interest rate relief is called for. My hope is they will do so, and maybe even before that time.

Those interest rate reductions are already being felt in our economy as people refinance their homes, lower their mortgage rates, and take the moneys they are saving and spend it for other purposes.

Another obvious way to stimulate the economy is through tax policy. I remind my colleagues as we consider a stimulus policy, trying to put some kind of rebates in place now, rate reductions, child credits, or marriage penalty relief, the actual impact we will have through tax policy is de minimis.

Take $3 trillion out of the stock market, as we have seen over the last several months, and pump in $40 billion, $50 billion, $60 billion in tax policy and in reality it is not going to amount to too much.

I hope we will continue our efforts over the next 24 hours--frankly, over the weeks to come--to adopt the best stimulus of all. The best stimulus we could send, not just to the markets but the American people, would be for us to actually agree on a tax policy, not just 51 Republicans with the Vice President casting the tie-breaking vote but for a number of Democrats and Republicans to agree on an incremental approach where we would be able to lower marginal rates, broadly but not as deeply as the President wants, or double the child credit and make it retroactive to the beginning of this year, or we might eliminate the marriage penalty effective the beginning of this year, and do it in a way to provide stimulus to our economy but also some assurance that the taxpayers are going to see long-term rate reduction, long-term relief.

The President was in Delaware a couple days ago, and I talked with him about this. He said: My concern is, Tom, if we do not take a lot of money off the table now, we will spend the money. I reminded the President he plays an activist role in the appropriations process--signing and vetoing appropriations bills, signing and vetoing enhancements to entitlement programs.

In the end, while we are in the seventh inning stretch, the ball game is likely to go into extra innings, and the very best victory the American people can hope for is a bipartisan agreement for an incremental approach to tax cuts that includes restraint on spending and includes a consensus that one of the best things we can do is continue the good work we have begun on reducing our Nation's debt. I yield back my time.